UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK	
	-X
LIMELIGHT LTD,	Case No: 08-CIV-5139 (LTS) (FM)
Plaintiffs,	NOTICE OF MOTION TO DISMISS COMPLAINT
-against-	PURSUANT TO FED. R. CIV.P 12(b)
ARMINAK & ASSOCIATES, Defendants.	10 PED: R. CIV.1 12(b)
	-X (Judge Laura Taylor Swain)
TO: Jay Ginsberg, Esq. Michael Kramer & Associates, P.C. 150 East 58 <sup>th</sup> Street New York, New York 10155	
SIR:	
PLEASE TAKE NOTICE that on	, 2008, at 10:00
am. or as soon thereafter as counsel may be heard	, the undersigned, attorneys for
defendant, Arminak and Associates, Inc., shall mo	ove before the Honorable Laura Taylor
Swain, U.S.D.C.J, at the United States Courthouse	e, 500 Pearl Street, New York, New
York for an order dismissing Plaintiff's complaint	t pursuant to Fed.R.Civ.P.12(b)
and the parties' forum selection clause, together w	yith such other and further relief as

Defendant shall rely upon the memorandum of law and the declaration of Helga Arminak, submitted herewith.

this Court deems just and proper.

### CERTIFICATION PURSUANT TO JUDGE SWAIN'S INDIVIDUAL PRACTICE RULE 2(B)

The movant, through counsel, has used its best efforts to resolve informally the matters raised in this application.

> POPESCU, IOSEPOVICI & ASSOCIATES Attorneys for Defendant, Arminak & Associates, Inc.

> > /s Robert Ø. Popescu

ROBERT S. POPESCU, ESQ. (9677) 225 Broadway Suite 1901 New York, New York 10007 (212) 766-9696

E-Mail: rsp.esq@pialawfirm.com

DATED: September 04, 2008

#### **DECLARATION OF SERVICE**

- I, Loredana Sociu, duly sworn according to law, do hereby declare:
- 1. I am employed as a paralegal for Popescu, Iosepovici & Associates, attorneys for the petitioner, Arminak and Associates, Inc..
- 2. On September 05, 2008 I personally served via Federal Express, a copy of the following documents:
  - Notice of Motion;
  - Supporting Declaration; and
  - Memorandum of Law

to the following individual(s):

Rubin Jay Ginsberg, Esq. c/o Michael Kramer & Associates, PC. 150 East 58 Street New York, New York 10155

In addition, a copy of all moving papers were filed and served electronically pursuant to the Court's ECF Rules.

I hereby declare under penalty of perjury under the laws of the United States of America, pursuant to 28 U.S.C Section 1746, that the foregoing is true and correct to the best of my knowledge.

> Loredana Sociu Loredana Sociu

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

LIMELIGHT LTD.,

Plaintiff.

Case No: 08-CIV-5139 (LTS) (FM)

-against-

DECLARATION OF HELGA ARMINAK IN SUPPORT OF DEFENDANT'S MOTION TO DISMISS THE **COMPLAINT** 

ARMINAK & ASSOCIATES,	
Defendant.	
	-

- I, Helga Arminak, President of Arminak & Associates, Inc. hereby declare as follows:
  - 1. I am the President and Chief Executive Officer of Arminak & Associates, Inc. ("Arminak"), the named Defendant in this action. I have personal knowledge of all matters averred herein. I make this declaration in support of Defendant Arminak's motion to dismiss this action on the basis of the forum selection clause contained in the parties' written agreement.
  - 2. Arminak manufactures various goods for use in the cosmetics industry. Arminak's address is 1315 Mountain View Circle, Azusa California 91702.
  - On June 1, 2007 Plaintiff, Limelight, LTD. ("Limelight"), a commercial 3. supplier of cosmetic goods, ordered certain products from Arminak, as detailed in the purchase order annexed hereto as **EXHIBIT A.**
  - 4. Arminak then manufactured multiple samples of the requested products and sent the samples to Limelight for inspection and approval.

Page 2 of 23

- 5. On June 29, 2007 Limelight approved all samples and executed a detailed Production Order, a true and complete copy of which is attached hereto as **EXHBIT B.** The production order was executed on behalf of Limelight by its Vice President, Molly Stutter.
- 6. In relevant part, the Production Order executed by Limelight provided as follows:

This agreement shall be deemed to be made in Duarte, California, and shall be construed under the laws of the state of California. Any litigation arising by reason of this agreement shall be filed in the County of Los Angeles, State of California. (Exhibit B, ¶10.)

7. Subsequent to Limelight's execution of the aforesaid agreement, Arminak produced and shipped the requested products. Arminak sent two separate invoices to Limelight, one in the amount of \$7,316.00 and the other one in the amount of \$7,925.00, for a total of \$15,241.00. The invoices are attached hereto under cover of **EXHIBIT C.** In relevant part, each invoice memorialized the parties existing understanding that

> Any litigation arising by reason of this agreement shall be filed in the County of Los Angeles, State of California. (Exhibit C, ¶10.)

- 8. In violation of the parties' agreement, Limelight instituted an action against Arminak in the Supreme Court of the State of New York, claiming that Arminak supplied defective products to Limelight's clients. A copy of Limelight's complaint is attached hereto as **EXHIBIT D.**
- 9. On June 04, 2008 Arminak removed this matter to the United States District
  Court for the Southern District of New York. A true copy of the Filed Notice
  of Removal in attached hereto as **EXHIBIT E**.
- 10. Arminak now moves for the dismissal of the complaint on the basis of the parties' forum selection clause contained in the agreement and attached hereto as **EXHIBIT B**, as further memorialized in the invoices attached hereto as **EXHIBIT C**.

I hereby declare under penalty of perjury under the laws of the United States of America, pursuant to 28 U.S.C Section 1746, that the foregoing is true and correct to the best of my knowledge.

S/ Holga Arminak HELGA ARMINAK, PRESIDENT OF ARMINAK & ASSOCIATES, INC.

DATED: September 04, 2008

# EXHIBIT A

## Limelight LTD

40 E. 34th Street New York, NY 10016 212 5)2 4056

ionelight@kmelightlisl.com

# **Purchase Order**

Date	P.O. No.
6/1/2007	1

Vendor:
Arminak& Associates
1350 Mountain View Circle
Azusa, CA 91702
Fax# 866-251-8394

Ship To Next Step 130-13 91st Street Richmond Hill, NY 11418

> Ship Dale 9/1/2007

item Description **Qty** Rate Amount AAF1 Foamer MAC Foaming Cleanser Program 24,000 0.304 7,296.00 Bottle 01AA005 | MAC FoamerBottle 24,000 0.24 5,760.90 delivery 1 Delivery - FOB NY 1,500.00 1,500.00

Product Estimated within 10 weeks

MMR Suff 10122104

Total

\$14 556 00

# EXHIBIT B



### CUSTOMER SAMPLE APPROVAL

Page 1 of 2

#### **URGENT!**

## X PRODUCTION ORDER \_ COLOR MATCH \_ ARTWORK APPROVAL

				****	
Date:	06/28/07	Sample Mail D	ate: 06	/28/07	
Customer	Courtney Oxland				And the second of the second o
Name	-	MalySu	ticre.		
Company	Limelight LTD				The second code of the second space of the sec
Name					
Customer	40 E 34th Street S	ulte 1415			1 1001 to 1 5 2000 May 1000 ma
Address	New York, NY. 10	016			
A&A P.O. #	4950		Customer	P.O. #	A Commission of the State of th
Item Name:	250ml Foamer Bo	ttle	Part No.:		AAF1 Foamer Pump
Description:	40mm PP Solid W Tube with Notch ( Dip Tube Length;	iut, Stainless St	eel Spring	1.6cc, 1!	50/240 Mesh, 304S, PE Dip
Please review			return ONE	sample S	SIGNED with the original of
		FAX TO EX	PEDITE. T	iank you	

We are pleased to submit the following samples for your careful review and approval. Your order will be produced within commercially acceptable tolerances of the samples. By signing this agreement, you are accepting full responsibility for size, shape, specifications, compatibility, function, color, and asethetics of the product, and you are agreeing to the terms set forth below, AS WELL AS THE INVOICE TERMS SET FORTH ON THE BACK OF THIS FORM, and incorporated by this

You represent and warrants that the reproduction by Arminak & Associates of any model, logo, or design of any kind, which has been provided by Buyer to Arminak & Associates, will not infringe upon the patent, copyright, trademark, or intellectual property rights of a third party.

You agree to indemnify Arminak & Associates and shall hold harmless Arminak & Associates, any officer, director, employee or agent thereof (each of the foregoing being hereinafter referred to individually as "Indemnified Party") for all liability to third parties, and all reasonable expenses incurred by Arminak & Associates, including but not limited to court costs and reasonable attorneys' fees incurred, arising from or in connection with any third party claim against Arminak & Associates for alleged non-permitted and/or unauthorized use of any mold(s), logo or design, given by Buyer to Arminak & Associates, or claim of trade secret, patent, copyright, or other infringement by virtue of Arminak & Associates' use of any intellectual property delivered or maintained by Buyer.

You agree to accept full responsibility for any and all risk of harm to the units resulting from any and all causes after the units leave our warehouse including, but not limited to, damages resulting from extreme temperatures, incompatable liquids, transportation, shipping, storage, and filling.

WE MAKE NO WARRANTIES OF THE PRODUCTS, EXPRESSED OR IMPLIED, other than the warranty that the products will be within commercially acceptable tolerances of the sample approved by you. Our liability for any loss or damage arising out of the purchase or use of the products is limited to the purchase price of the products. In no event shall we be liable for incidental or consequential damages or damages arising out of or in any way relating to our sales to you.

After carefully reading this agreement, which includes the invoice terms set forth on the back of this form, please sign and date this agreement. The undersign represents that he/she has the authority to enter into this Agreement on the above identified Customer. A faxed response will ensure the shortest lead-time.

	Company Zimolial Ltd.	Accepted		Rejected
	Signature UNIX OUT	Title	Vice	HARVOUT
-	Printed name WOW SUTTY	Date	101	129107

#### **ENVOICES TERMS**

Page 2 of 2

- Buyer represents and warrants that Buyer has had many opportunities to inspect and examine the sample of the products as fully as Buyer desires, and that Buyer has examined the sample and found no defects therein. Arminak & Associates makes no representations or warranties other than that the products to be delivered under this contract will be within commercially reasonable tolerances of the sample inspected and accepted. Buyer represents and warrants that the reproduction by Arminak & Associates of any model, logo, or design of any kind, which has been provided by Buyer to Arminak & Associates, will not infringe upon the patent, copyright, trademark or intellectual property rights of a third party.
- EXCEPT AS SPECIFICALLY PROVIDED IN PARAGRAPH 1 OF THIS AGREEMENT, ARMINAK & ASSOCIATES MAKES NO WARRANTIES EITHER EXPRESS OR IMPLIED AS TO ANY MATTER WHATSOEVER, INCLUDING WARRANTIES AS TO MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- Delivery shall be F.O.B. Arminak & Associates' shipping dock. Partial deliveries are permitted. Arminak & Associates may deliver the products before the scheduled delivery date. Risk of loss passes to Buyer upon tender of delivery. All risk of injury to or loss of products shall be on Buyer. Buyer accepts full responsibility for any risk of harm to the units resulting from any and all causes after products leave Arminuk & Associates' warehouse including, but not limited to, damages resulting from extreme temperatures, incompatible liquids, transportation, shipping, storage, and filling.
- Unless Buyer rejects, and notifies Arminak & Associates within calendar 10 days from date of delivery of the products or any portion thereof that Buyer will not take over the products or the portion thereof received by the Buyer; or if Buyer uses or does any act increasistent with Arminak & Associates' rights in the products, Buyer will be held to have taken over such products. If Arminak & Associates do not receive notice of rejection within 10 calendar days from date of delivery of the products or any portion thereof then ability to reject for not being in conformance with the sample is waived.
- Buyer affirms that it Arminak & Associates builds any moid(s) pursuant to Buyer's specifications or otherwise Arminak & Associates owns any and all rights to such molds. If Arminak & Associates does not create the mold but uses mold(s) given to Arminak & Associates by Buyer, then Buyer hereby represents and warrants that Arminak & Associates is the owner of the mold(s) and that Arminak & Associates has the unqualified right to use such mold(s).
- Buyer hereby agrees to indemnify Arminak & Associates and shall hold harmless Arminak & Associates, any officer, director, employee or agent thereof (each of the foregoing being hereinafter referred to individually as "Indemnified Party") for all liability to third parties, and all reasonable expenses incurred by Arminak & Associates, including but not limited to court costs and reasonable attorneys' fees incurred, arising from or in connection with any third party claim against Arminak & Associates for alleged non-permitted and/or unauthorized use of any mold(s), logo or design, given by Buyer to Arminak & Associates, or claim of trade secret, patent, copyright, or other infringement by virtue of Arminak & Associates' use of any intellectual property delivered or maintained by Buyer. Buyer's obligation to indemnify any Indemnified Party will survive the expiration or termination of this agreement by either party for any reason.
- Arrainak & Associates shall not be liable for any delay in its performance under this agreement or be obligated to perform any obligation where it is unable to do so or doing so would be commercially impracticable or impossible, or subject to a substantial impediment. "Substantial impediment" is defined for purposes of this agreement, to include any act of God or public enemies; strike, lockout or other labor disturbance; declared or undeclared war; blockade or embargo; riot, sabotage, insurrection or civil disturbance; explosion; epidemic; landsilde; lightning; earthquake; fire; loss of power or gas; storm or other severe weather condition; flood; washout, breakdown; or failure of major equipment, including shutdowns for scheduled maintenance or inventory control; delay or failure of usual sources of transportation; order, restraint or prohibition of governmental authority having jurisdiction over the products to be produced by Arminak & Associates under this agreement, the parties, their agents, officers, directors or employees, or subcontractors; and failure, due to any of the foregoing, by any of Arminak & Associates' subcontractors, suppliers or parties supplying labor, material or other items necessary for Arminak & Associates' performance under this agreement. Arminak & Associates shall have such additional time within which to perform its obligations as may be reasonably necessary under the circumstances. Anninak & Associates, in response to an impediment, may deliver to Buyer such quantity of products as Arminak & Associates may determine in its sole and absolute discretion and Buyer shall be obligated to compensate Arminak & Associates upon delivery for whatever portion of the products are delivered.
- IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL, OR CONSEQUENTIAL DAMAGES OR LOSS OF PROFIT. ARMINAK & ASSOCIATES' LIABILITY ARISING UNDER THESE CONDITIONS FOR THE MANUFACTURE, SALE, DELIVERY RESALE, REPAIR, REPLACEMENT, USE OF ANY PRODUCTS PURCHASED UNDER THESE CONDITIONS (OR FAILURE TO DO ANY OF THE FOREGOING) (INCLUDING LIABILITY ARISING FROM BREACH OF CONTRACT OR FROM TORT, WHETHER OR NOT ARMINAK & ASSOCIATES HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LIABILITY), IN NO CASE SHALL EXCEED THE TOTAL AMOUNT OF THE PRODUCTS PAID FOR HEREUNDER AND INVOLVED IN THE CLAIMED BREACH, TORT (INCLUDING NEGLIGENCE, STRICT LIABILITY, AND MISREPRESENTATION) OR NON-PERFORMANCE THEREOF. HOWEVER, THE PROVISIONS OF THIS SECTION 8 SHALL NOT APPLY IN ANY WAY TO THE BUYER'S OBLIGATION TO INDEMNIFY. ANY INDEMNIFIED PARTY.
- Any claims involving quantity, quality, delivery, and Arrainak & Associates' liability shall in no event exceed the purchase price, if Arminak & Associates cannot replace the products and repair is not commercially practicable or cannot be made, Arminak & Associates will refund the purchase price. No products will be accepted for return without Arminak & Associates' written consent. All orders subject to 10% over or under run. Above specifications are based on commercially acceptable tolerances.
- 10. This agreement shall be deemed to be made in Duarie, California, and shall be construed under the laws of the State of California. Any litigation arising by reason of this agreement shall be filed in the County of Los Angeles, State of California. If any legal action or other proceeding is brought for the enforcement or interpretation of this agreement or because of an alleged dispute, breach, default, or misrepresentation in connection with any of this agreement, the successful or prevailing pany shall be entitled to the recovery of its reasonable attermey's fees and other cost incurred, in addition to any other relief to which it may be entitled.
- 11. The terms of this agreement shall be incorporated into and supersede all inconsistent terms of any and all prior contracts, purchase orders, and involces regarding the samples delivered with this agreement. No supplementation or modification of this agreement shall be binding, unless executed in writing by both the parties to be bound thereby.

CSAIT-0222-06 1350 Mountain View Circle, Azusa, CA. 91702 626-358-4804-Fax-626-358.4688 - www.srminak-associates.com

~ . .

# EXHIBIT C

## Invoice

DATE	INVOIGE NO.
8/8/2007	6028

BILL TO	
Limelight Ltd	
40 E. 34th Street 1415	
New York, NY 10016	
-	

SHIP TO

Next Step
130-13 91 ST Avenue
Richmon Hill, NY 11418

				<del></del>	
	Rep	Order Number	TERMS	DUE DATE	Customer P.O.
	RM 4950		Net 30	9/7/2007	****
DES	SCRIPTION		QTY	UNIT PRICE	AMOUNT
Model AAF1 Foamer Pump 40mm PP Natural Fotomer Pur 304S, PF Dip Lube with Note Orientation as approved Dip Tube Length PE Dip Tube with Angle Cui	oup, Output 1-6c h Cut. Stainless	c, 150/240 Mesh, Steel Spring,	24,000	t)	304 7,395 en
PALLET CHARGES		Antimorphic	2	10	20 00
					And the second of the second o
	·				
					-
					VIETNAMONAN (Friedrich
	*				4

We are not liable for any damage to products in the items covered by this invoice. Any claims involving quality—shall be made promptly but no later than 48 Hours after delivery. Claims for shipping damages, or shortages must be made upon ROG to delivering carrier. Sellers liability shall in no event exceed the purchase price. Payment is due on or before the due date. Late payments are subject to 2% percent interest per month. We report all slow paying accounts & pront paying accounts to Dun & Bradstreet.

Total \$7,316.00

Balance Due \$2,116.00

- 1. Buyer represents and warrants that Buyer has had ample opportunity to inspect and examine the sample of the products as fully as Buyer desires, and that Buyer has examined the sample and found no defects therein. Arminak & Associates makes no representations or warranties other than that the products to be delivered under this contract will be within commercially reasonable tolerances of the sample inspected and accepted. Buyer represents and warrants that the reproduction by Arnanak & Associates of any model, logo, or design of any kind, which has been provided by Buyer to Arminak & Associates, will not infininge upon the patent, copyright, trademark, or intellectual property rights of a third party.
- 2. EXCEPT AS SPECIFICALLY PROVIDED IN PARAGRAPH 1 OF THIS AGREEMENT, ARMINAK & ASSOCIATES MAKES NO WARRANTIES EITHER EXPRESS OR IMPLIED AS TO ANY MATTER WHATSOEVER, INCLUDING WARRANTIES AS TO MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- 3. Delivery shall be F.O.B. Arminak & Associates' shipping dock, Partial deliveries are permitted. Arminak & Associates may deliver the products before the scheduled delivery thate. Risk of loss passes to Buyer upon tender of delivery. All risk of injury to or loss of products shall be on Buyer accepts full responsibility for any risk of barm to the units resulting from any and all causes after products leave Arminak & Associates' warehouse including, but not himited to, damages resulting from extreme temperatures, incompatible liquids, transportation, shipping, storage, and filling.
- 4. Unless Buyer rejects, and notifies Arminak & Associates within calendar 10 days from date of delivery of the products or any portion thereof that Buyer, will not take over the products or the portion thereof received by the Buyer, or if Buyer uses or does any act inconsistent with Arminak & Associates, rights in the products. Buyer will be held to have taken over such products. If notice of rejection is not received by Arminak & Associates within 10 calendar days Bure. date of delivery of the products or any portion thereof then ability to reject for not being in conformance with the sample is waited
- 5 Buyer affirms that if Arminak & Associates builds any mold(s) pursuant to Buyer's specifications of otherwise Arminak & Associates on usuan, and all rights to such molds. If Arminak & Associates does not create the mold but uses mold(s) given to Arminak & Associates by Buyer, then there hereby represents and warrants that Arminak & Associates is the owner of the mold(s) and that Arminak & Associates has the unqualified right to use such mold(s)
- 6 Buyer hereby agrees to indemnify Arminak & Associates and shall hold harmless Arminak & Associates, any officer, director, employee or agent thereof teach of the foregoing being hereinafter referred to individually as "Indemnified Party") for all liability to third parties, and all reasonable expenses in firted by Arminak & Associates, including but not limited to court costs and reasonable atterneys' fees incurred, arising from or in connection with any third party clause against Arminak & Associates for alleged non-permitted and/or unauthorized use of any mold(s), logo or design, given by Buyer to Arminak & Associates, in elaim of trade secret, patent, copyright, or other infringement by virtue of Arminak & Associates' use of any intellectual property delivered or maniguage by Buyer. Buyer's obligation to indemnify any Indemnified Party will survive the expiration of termination of this agreement by either party for any reason
- 7 Arminak & Associates shall not be hable for any delay in its performance under this agreement or be obligated to perform any obligation where it is qualific to do so or doing so would be commercially impracticable or impossible, or subject to a substantial impediment. "Substantial impediment," substantial impediment, "Substantial impediment," is defined for numbers of this agreement, to include any act of God or public enemies; strike; luckout or other labor disturbance; declared or undeclared war, blockade or embargo (for, Saburage, insurrection or civil disturbance; explosion; epidemic, landslide, lightning; earthquake; fire, loss of power or gas, atom or other restrict weather condition, thood, washout; breakdown; or failure of major equipment, including shutdowns for scheduled maintenance or inventory goneral, delay in failure of usual sources of transportation; order, restraint or prohibition of governmental authority having jurisdiction over the products to be produced by Armanak & Associates under this agreement, the parties, their agents, officers, directors or employees, or subcontractors, and failure, due to any of the foreusing, is not of Arminal & Associates' subcontractors, suppliers or parties supplying labor, material or other items necessary for Arminal & Associate. performance under this agreement. Arounds & Associates shall have such additional time within which to perform its obligations as may be to resultable necessary under the circumstances. Arminak & Associates, in response to an impediment, may deliver to Buyer such quantity of products as Arminak A Associates may determine in its sole and absolute discretion and Buyer shall be obligated to compensate Arminak & Associates upon delicery by schargery portion of the products are delivered.
- S. IN NO EVENT SHALL FITH**ER PARTY BE LIABLE FOR INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL, OR CONSEQUE**NTEAL DAMAGES OR LOSS OF PROFIT, ARMINAK & ASSOCIATES LIABILITY ARISING UNDER THESE CONDITIONS FOR THE MANUFACTURE, SALE DELIVERY RESALE, REPAIR, REPLACEMENT, USE OF ANY PRODUCTS PURCHASED UNDER THESE CONDITIONS (OR FAITURE TO DO ANY OF THE FOREGOING (INCLUDING LIABILITY ARISING FROM BREACH OF CONTRACT OR FROM TORT, WHETHER OR NOT ARMINAK & ASSOCIATES HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LIABILITY), IN NO CASE SHALL EXCEED THE POTAL AMOUNT OF THE PRODUCTS PAID FOR HEREUNDER AND INVOLVED IN THE CLAIMED BREACH, TORT (INCLAIDING NEGLEGERGE) STREET HABILITY, AND MISREPRESENTATION) OR NON-PERFORMANCE THEREOF HOWEVER, THE PROVISIONS OF THIS SECTION R SHALL NOT APPLY IN ANY WAY TO THE BUYER'S OBLIGATION TO INDEMNIEY ANY INDEMNIFILD PARTY
- Any claims involving quantity, quality, delivery, and Arminak & Associates\* liability shall in no event exceed the purchase price. If Arminak & Associates cannot replace the products and repair is not commercially practicable or cannot be made, Arminak & Associates will refund the purchase price. No products will be accepted for return without Arminak & Associates' written consent. All orders subject to 10% over or under run. Above specifications are based on communically acceptable tolerances.
- 10. This agreement shall be deemed to be made in Azusa. California, and shall be construed under the laws of the State of California. Any linigation torough by reason of this agreement shall be filed in the County of Los Angeles, State of California. If any legal action or other proceeding is brought for the entracement or interpretation of this agreement or because of an alleged dispute, breach, default, or misrepresentation in connection with any of this agreement, the successful or prevailing party shall be entitled to the recovery of its reasonable attorney's fees and other cost incurred, in addition to any other relief to which a may be entitled.
- 1] The terms of this agreement shall be incorporated into and supercede all inconsistent terms of any and all prior contracts, purchase orders, and invoices regarding the samples delivered with this agreement. No supplementation or modification of this agreement shall be binding, unless executed in writing by both the parties to be bound.

1828-2172-10881

## Invoice

DATE	INVOICE NO
E/8/2007	6027

BILL TO
Linnelight Ltd
40 F. 34th Street 1415
New York, NY 10016

SHIP TO
Trademark
361 Gordon Street
Allentown, PA 18102

- Consideration	Rep	Order Number	TERMS	DUE DATE	Customer F.O	
·	RM	4949	Net 309/7/2007			
DESC	CRIPTION	- All Marie Control of the Control o	QTY	UNIT PRICE	AMOUNT	
Model Bottle01-AA005 270ml Clear Oval PET Bottle. 40/410 Neck Closure	**************************************	9	24,006	(i	24 5.7pm út	
PALLETCHARGES			. 7	l. 1 <del>0</del>	Dn) Fig. 6	
Freight Charges Houles & Pumps			1	2.093	(in ) (in ) (in ) (in )	
					deren and the second of the se	
					is an order to the second	
			A CONTRACTOR OF THE CONTRACTOR		And the control of th	
		a.				
			***************************************			
					And the second s	

We are not liable for any damage to products in the items covered by this invoice. Any claims involving quality shall be made promptly but no later than 48 Hours after delivery. Claims for shipping damages, or shortages must be made upon ROG to delivering carrier. Sellers flubility shall in no event exceed the purchase price. Payment is due on or before the due date. Lute payments are subject to 2% percent interest per month. We report all slow paying accounts & promt paying accounts to Dun & Bradstreet.

Total \$7,925.66

Balance Due \$7,925,60

- i. Buyer represents and warrants that Buyer has had ample opportunity to inspect and examine the sample of the products as fully as Buyer desires, and that Buyer has examined the sample and found no defects therein. Arminak & Associates makes no representations or warranties other than that the products to be delivered under this contract will be within commercially reasonable folerances of the sample inspected and accepted. Buyer represents and warrants that the reproduction by Arminak & Associates of any model, logo, or design of any kind, which has been provided by Buyer to Arminak & Associates, will not infringe upon the patent, copyright, trademark, or intellectual property rights of a third party.
- 2. EXCEPT AS SPECIFICALLY PROVIDED IN PARAGRAPH 1 OF THIS AGREEMENT, ARMINAK & ASSOCIATES MAKES NO WARRANTIES EITHER EXPRESS OR IMPLIED AS TO ANY MATTER WHATSOEVER, INCLUDING WARRANTIES AS TO MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- 3. Delivery shall be F.O.B. Arminak & Associates' shipping dock. Partial deliveries are permitted. Arminak & Associates may deliver the products before the scheduled delivery date. Risk of loss passes to Buyer upon tender of delivery. All risk of injury to or loss of products shall be on Buyer. Buyer accepts full responsibility for any risk of barm to the units resulting from any and all causes after products leave Arminak & Associates' warehouse including, but not limited to, damages resulting from extreme temperatures, incompatible liquids, transportation, shipping, storage, and filling.
- 4. Unless Buyer rejects, and notifies Arminak & Associates within calendar 10 days from date of delivery of the products or any portion thereof that Buyer will not take over the products or the portion thereof received by the Buyer, or if Buyer uses or does any act inconsistent with Arminak & Associates' rights in the products. Buyer will be held to have taken over such products. If notice of rejection is not received by Arminak & Associates within 10 calendar days from date of delivery of the products or any portion thereof then ability to reject for not being in conformance with the sample is waived.
- 5. Buyer affirms that if Arminak & Associates builds any mold(s) parsuant to Büyer's specifications or otherwise Arminak & Associates owns any and affinghis to such molds. If Arminak & Associates does not create the mold but uses mold(s) given to Arminak & Associates by Buyer, then Buyer hereby represents and warrants that Arminak & Associates is the owner of the mold(s) and that Arminak & Associates has the impublified right to use such mold(s).
- 6. Buyer hereby agrees to indemnify Arminak & Associates and shall hold harmless Arminak & Associates, any officer, director, employee or agent thermal (each of the foregoing being hereinafter referred to individually as "Indemnified Party") for all liability to third parties, and all reasonable expenses incurred five Arminak & Associates, including but not limited to court costs and reasonable attorneys' fees meatred, arising from or in connection with any finid party Jama against Arminak & Associates for alleged non-permitted and/or unauthorized use of any mold(s), logo or design, given by Buyer to Arminak & Associates, or claim of trade secret, patent, copyright, or other infringement by virtue of Arminak & Associates' use of any intellectual property delivered or maintained by Buyer. Buyer's obligation to indemnify any Indemnified Party will survive the expiration or termination of this agreement by either party for any reason
- 7. Arronak & Associates shall not be liable for any delay in its performance under this agreement or be obligated to perform any obligation where it is unable to do so or doing so would be commercially impracticable or impossible, or subject to a substantial impediment. "Substantial impediment" is defined to purposes of this agreement, to include any act of God or public enemies, strike; lockout or other labor disturbance; declared or undeclared war blockode or embargo; riot substage, insurrection or civil disturbance; explosion; epidemic; landslide; lightning, earthquake; fire; loss of power or gas storm or other severa weather constition; flood, washout, breakdown; or failure of major equipment, including shutdowns for scheduled maintenance or inventory compol delay or tarbire of usual sources of transportation; order, restraint or prohibition of governmental authority having jurisdiction over the products to be produced by Arminak & Associates under this agreement, the parties, their agents, officers, directors or employees, or subcontractors, and tarbire, due to any of the foregoing, by any of Arminak & Associates' subcontractors, suppliers or parties supplying labor, material or other items necessary for Arminak & Associates shall have such additional time within which to perform its obligations as may be reasonably necessary under the circumstances. Arminak & Associates, in response to an impediment, may deliver to Buyer such quantity of products as Arminak & Associates for whatever portion of the products are delivered.
- 8 IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL, OR CONSEQUENTIAL DAMAGES OR LOSS OF PROFIT. ARMINAK & ASSOCIATES' LIABILITY ARISING UNDER THESE CONDITIONS FOR THE MANUFACTHRE, SALL DELIVERY RESALE, REPAIR, REPLACEMENT, USE OF ANY PRODUCTS PURCHASED UNDER THESE CONDITIONS (OR FAILURL TO DO ANY OF THE FORFGOING) (INCLUDING LIABILITY ARISING FROM BREACH OF CONTRACT OR FROM TORT, WHETHER OR NOT ARMINAK & ASSOCIATES HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LIABILITY), IN NO CASE SHALL EXCEED THE TOTAL AMOUNT OF THE PRODUCTS PAID FOR HEREUNDER AND INVOLVED IN THE CLAIMED BREACH, TORT (INCLUDING NEGLIGENCE, STRICT LIABILITY, AND MISREPRESENTATION) OR NON-PERFORMANCE THEREOF. HOWEVER, THE PROVISIONS OF THIS SECTION R SHALL NOT APPLY IN ANY WAY TO THE BUYER'S OBLIGATION TO INDEMNIFY ANY INDEMNIFIED PARTY.
- 9 Any claims involving quantity, quality, delivery, and Arminak & Associates' liability shall in no event exceed the purchase price. If Aromak & Associates cannot replace the products and repair is not commercially practicable or cannot be made, Arminak & Associates will refund the purchase price. No products will be accepted for return without Arminak & Associates' written consent. All orders subject to 10% over or under run. Above specifications are based on commercially acceptable tolerances.
- 10. This agreement shall be deemed to be made in Azusa. California, and shall be construed under the laws of the State of California. Any litigation arising by reason of this agreement shall be filed in the County of Los Angeles, State of California. If any legal action or other proceeding is brought for the anforcement or interpretation of this agreement or because of an alleged dispute, breach, default, or misrepresentation in connection with any of this agreement, the successful or prevailing party shall be entitled to the recovery of its reasonable attorney's fees and other cost incurred, in addition to any other tebef to which it may be entitled.
- 11. The terms of this agreement shall be incorporated into and supercede all inconsistent terms of any and all prior contracts, purchase orders, and inconsess regarding the samples delivered with this agreement. No supplementation or modification of this agreement shall be binding, unless excepted in writing by both the parties to be bound.

4828-2172-108%1

# EXHIBIT D

05/06/2008 14:11 17149730127 MAY-07-2008 WED 02:09 AM

ATTY SVC1

84/88 P. 005

提注 等。 50%

SUPREME COURT	OF'	THE	STATE	OF NEW	YORK
COUNTY OF NEW	YOI	RK			•

LIMBLIGHT LTD.,

Index No.: 601317/08

Plaintiff.

COMPLAINT

-against-ARMINAR & ASSOCIATES, INC.

Defendant.

Plaintiff, LIMELIGHT LTD., ("Limelight" or the "Plaintiff") through its attorneys, Michael B. Kramer & Associates, as and for its Complaint as against ARMINAK & ASSOCIATES, INC. ("Arminak" or the "Defendant"), slieges as follows:

#### THE PARTIES

- At all times hereinafter mentioned, the Plaintiff was and is a conjugation duly organized and existing under and by the virtue of the laws of the State of New York with its 的情報 (外下水、12 principal place of business located at 40 East 34th Street, New York, New York 10016.
  - 2. Plaintiff is a supplier of cosmetics products.
- WIT GOATURED 3. Upon information and belief, Defendant, Arminak, is a foreign corporation dubject (2000) in organized and existing under the laws of the State of California with its principal place of business located at 1350 Mountain View Circle, Azusa, CA 91702.
- At all times hardnesser mentioned, Arminak transacted and conducted hardness within the State of New York and/or contracted to supply goods in the State of New York.
- 5. At all times hereinafter mentioned, Arminak regularly does or solicits business, or engages in other persistent courses of conduct, or derives substantial revenue from goods used or consumed in the State of New York.
  - б. At all times bereinafter mentioned, Arminak expected or should reasonably have

GHMBKANLTHINKHAMESTOR LANGAPINSHINGA MOINE COMPLEMENT

05/05/2008 14:11 17149738127

MAY-07-2008 WED 02:10 AM

ATTY SVC1

PAGE 05/08 P. 000

expected its acts to have consequences in the State of New York, and it derived substantial revenue from interstate or international commerce.

 Upon information and belief, Anninek is a manufacturer of bottles, tubes, and other packaging and containers for cosmetic products.

#### JURISDICTION

8. This Court has jurisdiction over these claims pursuant to C.P.I..R. § 302(a) which states that a New York court may exercise personal jurisdiction over any non-demiciliary, who is person or through an agent, transacts any business within the state or contracts onywhere to supply goods or services in the state.

#### **FACTUAL BACKGROUND**

- 9. On or about August, 2008, Limelight and Aminak entered into an agreement pursuant to which Arminak was to provide Limelight bottles and accompanying spray pumps (the "Agreement"), which were in turn to be supplied by Limelight to the makeup retailer The Estée Lauder Companies, Inc. ("Estée Lauder").
- 10. The bottles and accompanying spray pumps were to be used in conjunction with microfiber cloths and a cleanser also supplied by Limclight to form thousands of kits to be used to clean makeup brushes at Estee Lander makeup sales and display counters (the "Cleansing Kits").
- Upon information, Arminak was fully aware that its bottles and spray pumps were to be part of the Cleansing Kita.
- 12. On or about April 4, 2008, Estée Lauder informed Limelight that the battles and accompanying spray pumps had falled quality assurance tests.
  - 13. Upon information and belief, all or a substantial portion of the bottles and

05/06/2008 14:11 17149736127 MAY-07-2008 WED 02:10 AM

ATTY SVC1

PAGE 07/08 P. 1118

23. By virtue of the foregoing Warranty of Merchantability, Plaintiff has been damaged by Azminak in the amount of Two Hundred Eleven Thousand Flye Hundred Dollars (\$211,500,00).

WHEREFORE, Plaintiff demands judgment against Defendant as follows:

- On the First Cause of Action for Breach of Contract, a monetary judgment in the amount of Two Hundred Eleven Thousand Five Hundred Dollars (\$211,500.00) with interest from April 4, 2008;
- On the Second Cause of Action for Breach of the Warranty of Merchamability, a monetary judgment in the amount of Two Hundred Eleven Thousand Five Hundred Dollars (\$211,500.00) with interest from April 4, 2008; and
- C. For such other and further relief as the Court may deem just and proper. Dated: New York, New York: April 2/2 2008

MICHAEL B. KRAMER & ASSOCIATES

By: Michael B. Kramer Attorneys for Plaintiff 150 East 58th Street, 12th Floor New York, New York 10155 (212) 319-0304

7-12-81

Page 18 of 23

05/06/2008 14:11

17149730127

ATTY SVC1

PAGE 82/88 P. 003

MAY 07-2008 WED 02:09 AM

604

SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF NEW YORK

LIMBLIGHT LTD.,

Plaintiff,

Date of Filling: 5-1-07

-against-

SUMMONS

The basis of the venue is the place of performance of the contract at issue.

ARMINAK & ASSOCIATES, INC.

Defendant.

TO THE ABOVE NAMED DEFENDANT:

YOU ARE HEREBY SUMMONED to suswer the Complaint in this action and to serve a copy of your Answer on the Plaintiff's attorney indicated below, within twenty (20) days after the service of this Summons, exclusive of the day of service (or within thirty (30) days after the service is complete if this Summons is not personally delivered to you within the State of New York). In case of your failure to answer, judgment will be taken against you by default for the retief demanded herein.

CONSIST CREATE CREATE PROPERTY OF THE CREATE CREATE

HAY 01 700

MUL CORY FILE

05/06/2008 14:11 17149730127

ATTY SVC1

PAGE 03/89 P.004

MAY-07-2008 WED 02:00 AM

TYPE OF ACTION: An action instituted by Plaintiff against Defendant for breach of

contract and breach of warranty of merchantsbility.

Dated: New York, New York April 47, 2008

MICHARI. R. KRAMER & ASSOCIATES

By: Michael B. Kramer Attorneys for the Plaintiff 150 Bast 58th Street, 12th Floor New York, New York 10155 (212) 319-0304

Defendant's Address: Arminak & Associates, Inc. 1350 Mountain View Circle Azusa, CA 91702

# EXHIBIT E

)8 CW 5139 Ulic offin

John Doody, Esq. (JD 0552) LEWIS BRISBOIS BISGAARD & SMITH, LLP

199 Water Street - 25th floor New York, New York 10038 Telephone: 212.232.1342 Facsimile: 212.232.1399

Email: doody@lbbslaw.com

Attorney for Defendant: ARMINAK & ASSOCIATES, INC.

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

LIMELIGHT LTD,

Plaintifff,

-against-

ARMINAK & ASSOCIATES, INC.,

Defendant.



NOTICE OF REMOVAL **OF ACTION UNDER 28** U.S.C. §1441(b) DIVERSITY TO FEDERAL COURT

#### TO THE CLERK OF THE ABOVE-ENTITLED COURT:

PLEASE TAKE NOTICE that defendant's ARMINAK & ASSOCIATES, INC., hereby submit this Notice of Removal in accordance with 28 USCA 1446 and respectfully represent as follows:

- 1. This action was commenced against defendant, Arminak & Associates, Inc., in the Supreme Court of the State of New York, County of New York, on or about May 1, 2008, Index Number 601317/2008. (See Complaint, attached hereto as Exhibit "A").
- The defendant seeks removal of this action pursuant to 28 USCA 1446 and Local Civil Rule 81.1 which permits removal of causes of action based upon diversity of citizenship of the parties.
- 3. At the time that this action was filed, defendant was formed under the laws of the State of California and is now currently a corporation formed under the laws of the State of

41 5435-5571

California. Its principal place of business at the time of the filing of this action was and is currently in the State of California.

- 4. Pursuant to 28 U.S.C. section 1332(c), "a corporation shall be deemed to be a citizen of any State by which it has been incorporated and of the State where it has its principal place of business." For the purposes of federal diversity jurisdiction, Arminak & Associates, Inc., is a citizen of the State of California. As such, Arminak & Associates, Inc., is not a citizen of the State of New York.
- The plaintiff, in their complaint allege to have its principal place of business in the State of New York.
- 6. There is diversity of citizenship between the parties in this action.

THEREFORE, all parties to the Civil Action pending in the Supreme Court of the State of New York, County of New York, Index No. 601317/2008 are HEREBY NOTIFIED pursuant to 28 USCA 1446 and Local Civil Rule 81.1, as follows:

Removal of the Civil Action and all claims and causes of action therein is effected upon the filing of a copy of this Notice of Removal with the Clerk of the State Court pursuant to 28 USCA 1446. The Civil Action is removed from the State Court to the Southern District Court of the State of New York. The parties to the Civil Action shall Proceed no further in the State Court.

WHEREFORE, Defendants pray that this cause be removed to the United States District Court, Southern District of New York.

Dated: New York, New York June 4, 2008

LEWIS BRISHOIS BISGAARD & SMITH, LLP

John Doody (JD 0552) Attorneys for Defendant

199 Water Street Suite 2500

New York, NY 10038

(212) 232-1300 (212) 232-1399 fax

TO: Michael B. Kramer
MICHAEL B. KRAMER
Attorneys for Plaintiffs
150 East 58th Street, 12th floor
New York, New York 10155
(212) 319-0304

Document 8-3 Filed 09/05/2008

Page 1 of 13

Defendant.

ARMINAK & ASSOCIATES, INC.,

Case 1:08-cv-05139-LTS

MEMORANDUM OF LAW IN SUPPORT OF DEFENDANT'S MOTION TO DISMISS THE COMPLAINT IN ACCORDANCE WITH FED. R. CIV. P. 12(b) AND THE PARTIES' FORUM SELECTION CLAUSE

# TABLE OF CONTENTS

i.	Preliminary Statement	7
11.	Statement of Relevant Facts	1
· III.	Argument	2
III.	Point I- In this Court, a Fed. R. Civ. P. 12(b)(1) Motion to Dismiss the Complaint for Lack of Subject Matter Jurisdiction is the Appropriate Procedural Vehicle by Which to Enforce a Forum Selection Clause	
	Point II-Where, as Here, the Parties' Written Agreement Incorporates and Enforceable Forum Selection Clause, The Complaint Must be Dismissed	3
IV.	Conclusion	8

## **TABLE OF AUTHORITIES**

Case Law	page(s)
CFirst Class, Corp v Silverjet, PLC.,	•
560 F. Supp.2d 324, 327 (S.D.N.Y 2008)	3,6,8
Direct Mail Prod. Servs, Ltd v. MBNA Corp.,	
No 99 Civ. 10550 (SHS), 2000 WL 1277597,	
at 2 (S.D.N.Y. Sept. 7, 2000)	4
Mitubishi Motors Corp v. Soler Chrysler- Plymouth,	
473 U.S 614,629 (1985)	4
New Moon Shipping Co v. Man & W Diesel AG,	
121 F.3d 24, 32 (2d. Cir. 1997)	4,7
Albany Ins. Co. v. Bancon Mexicano, S.A.	
182 F.3d. 898 (2d. Cir. 1999)	4
Phillips v. Audio Active Ltd.,	
494 F 3d 378, 382 (2nd Cir.2007)	4,6,7,8
John Boutari & Son v. Attiki Importers,	
22 F.3d 51, 52-53 (2d Cir.1994)	6
Roby v. Corp. of Lloyd's,	
996 F.2d 1353, 1360-1361 (2d Cir. 1993)	6
Anselmo v. Univision Station Group, Inc.,	
No 92 Civ. 1471 (RLC), 1993 WL 17173,	

at *2(S.D.N.Y. Jan 15, 1993)	6
Hugel v Corporation of Lloyd'sl, 999 F.2d at	
209	7
M/S Bremen v. Zapata off- Shore Co.,	
407 U.S. 1. 15 (1972)	7.8

## I. PRELIMINARY STATEMENT

Defendant, Arminak and Associates, Inc. ("Arminak") respectfully submits this memorandum of law in support of its motion to dismiss Plaintiff, Limelight, LTD's ("Limelight") complaint pursuant to <u>Fed. R. Civ. P.</u> 12(b)(1). Plaintiff, Limelight's action in this Court is barred by the forum selection clause contained in the parties' written agreement.

## II. STATEMENT OF RELEVANT FACTS<sup>1</sup>

- Arminak manufactures various goods for use in the cosmetics industry.
   Arminak's address is 1315 Mountain View Circle, Azusa California 91702.
- 2. On June 1, 2007 Plaintiff, Limelight, LTD. ("Limelight"), a commercial supplier of cosmetic products, ordered certain products from Arminak, as detailed in the purchase order annexed as **EXHIBIT A** to the accompanying Declaration of Helga Arminak.
- 3. Arminak then manufactured multiple samples of the requested products and sent the samples to Limelight for inspection and approval.

<sup>&</sup>lt;sup>1</sup> The facts outlined herein are derived from the supporting Declaration of Helga Arminak, submitted herewith.

- 4. On June 29, 2007 Limelight approved all samples and executed a detailed Production Order, a true and complete copy of which is attached as EXHBIT B to the accompanying Declaration of Helga Arminak. The Production Order was executed on behalf of Limelight by its Vice President, Molly Sutter.
- 5. In relevant part, the Production Order executed by Limelight provided as follows:

This agreement shall be deemed to be made in Duarte, California, and shall be construed under the laws of the State of California. Any litigation arising by reason of this agreement shall be filed in the County of Los Angeles, State of California. (Exhibit B ¶10)

6. Subsequent to Limelight's execution of the aforesaid agreement, Arminak produced and shipped the requested products. Arminak sent two separate invoices to Limelight, one in the amount of \$7,316.00 and the other one in the amount of \$7,925.00, for a total of \$15,241.00. The invoices are annexed as **EXHIBIT C** to the accompanying Declaration of Helga Arminak. In relevant part, each invoice memorializes further the parties existing understanding that

Page 7 of 13

# Any litigation arising by reason of this agreement shall be filed in the County of Los Angeles, State of California. (Exhibit C ¶10)

- 7. In violation of the parties' agreement, Limelight instituted an action against Arminak in the Supreme Court of the State of New York, claiming that Arminak supplied defective products. A copy of Limelight's complaint is annexed to the accompanying Declaration of Helga Arminak as EXHIBIT D.
- On June 04, 2008 Arminak removed this matter to the United States District 8. Court for the Southern District of New York.

#### III. ARGUMENT

#### POINT I

In this Court, a Fed. R. Civ. P. 12(b)(1) Motion to Dismiss the Complaint for Lack of Subject Matter Jurisdiction is the Appropriate Procedural Vehicle by Which to Enforce a Forum Selection Clause

As recently as two months ago this Court has held that a motion to dismiss for lack of subject matter jurisdiction is the appropriate procedural mechanism by which to enforce a forum selection clause. CFirstClass, Corp. v. Silverjet, PLC., 560 F.Supp.2d 324, 327 (S.D.N.Y 2008)<sup>2</sup>; See also, *Direct Mail Prod. Servs. Ltd. v. MBNA Corp.*, No. 99 Civ. 10550(SHS), 2000 WL 1277597, at 2 (S.D.N.Y. Sept. 7, 2000).

#### POINT II

Where, as Here, the Parties' Written Agreement Incorporates an Enforceable Forum Selection Clause, The Complaint Must Be Dismissed.

It is very well established that "there is a strong presumption in favor of the validity of forum selection clauses". *Mitsubishi Motors Corp. v. Soler Chrysler-Plymouth*, 473 U.S. 614, 629 (1985). The party objecting to such a clause "bears a heavy burden," *New Moon Shipping Co. v. Man B & W Diesel AG*, 121 F.3d 24, 32 (2d Cir.1997); *Albany Ins. Co. v. Banco Mexicano, S.A.* 182 F.3d 898 (2d. Cir. 1999).

#### Second Circuit's Four Part Test

The Second Circuit articulated a four part test for "determining whether to dismiss a claim based on a forum selection clause". *Phillips v. Audio Active Ltd.*, 494 F.3d 378, 382 (2d Cir.2007). In undertaking this analysis, the trial court must (1) determine whether the clause was reasonably communicated to the party resisting enforcement; (2) classify the clause as mandatory or permissive; (3) determine whether the claims and

<sup>2</sup> Prior to this decision, there seemed to be a split of authority regarding the appropriate procedural mechanism by which to enforce a forum selection clause. Decisions variously suggested that the proper vehicle would be (1) a motion to dismiss for lack of subject matter jurisdiction pursuant to <u>Fed.R.Civ.P. 12(b)(1)</u>, see <u>AVC Nederland B.V. v. Atrium Inv. Partnership.</u> 740 F.2d 148, 152 (2d Cir.1984); (2) a motion to dismiss for improper venue pursuant to <u>Fed.R.Civ.P. 12(b)(3)</u>, see <u>Phillips v. Audio Active Ltd.</u>, 494 F.3d 378, 382 (2d Cir.2007); and (3) a motion to dismiss for failure to state a claim pursuant to Fed.R.Civ.P. 12(b)(6).

parties in the suit are subject to the forum selection clause; and finally (4) determine whether the resisting party has rebutted the presumption of enforceability by making a sufficiently strong showing that "enforcement would be unreasonable or unjust, or that the clause was invalid for such reasons as fraud or overreaching." Id.

As the ensuing analysis reveals, in the case at bar the parties' written agreement incorporates an enforceable forum selection clause. The clause was more than reasonably communicated to the Plaintiff, it is mandatory, not merely permissive, and covers the claims arising directly from the parties' agreement.

#### A. Reasonably Communicated

First, it is beyond dispute that the parties' forum selection clause was reasonably communicated to the Plaintiff, Limelight. In point of fact, Limelight's Vice President signed the agreement containing the unambiguous clause on June 29, 2007. (H. Arminak Dec, Exhibit B.) Inasmuch as parties are always charged with knowledge of contents of documents they sign, Arminak decisively meets the first prong of the test.

See e.g. Consolidated Edison Co. of New York v. U.S., 221 F.3d 364 (2d Cir. 2000) ("In general, individuals are charged with knowledge of the contents of documents they sign").

#### **B.** Mandatory

Second, it is equally plain that the forum selection clause in the case at bar is mandatory, not merely permissive. The clause provides in relevant part that "any

litigation arising by reason of this agreement shall be filed in the County of Los

Angeles, State of California." (Emphasis Added). See e.g. CFirstClass, Corp. v.

Silverjet, PLC., 560 F.Supp.2d 324, 327 (S.D.N.Y 2008) ("The forum selection clauses at issue here both read as follows: 'This Agreement wherever made or to be performed shall be governed and construed in accordance with English law and all disputes arising hereunder shall be submitted to the exclusive jurisdiction of the Courts of England and Wales.' On their face, these clauses are mandatory, since their language plainly declaims the parties' intent to make jurisdiction exclusive." John Boutari & Son v. Attiki Importers, 22 F.3d 51, 52-53 (2d Cir.1994) (internal quotation marks omitted); see also Phillips, supra, 494 F.3d at 386 (finding mandatory a forum selection clause providing that "any legal proceedings that may arise out of [the agreement] are to be brought in England")". Arminak therefore meets the second prong of the test as well.

#### C. Scope of Forum Selection Clause

The third inquiry which the Court makes to determine the enforceability of a forum selection clause is whether both the parties and the claims included in the action are in fact the subject of the forum selection clause. *See Boutari*, 22 F.3d at 52-53; *Phillips*, 494 F.3d at 383. Generally, the scope of a forum selection clause is not limited solely to claims for breach of the contract that contains it. *Roby v. Corp. of Lloyd's*, 996 F.2d 1353, 1360-1361 (2d Cir.1993). ("we refuse to allow a party's solemn promise to be defeated by artful pleading."). See also, *CFirstClass, Corp. v. Silverjet, PLC.*, 560 F.Supp.2d 324, 327 (S.D.N.Y 2008), citing to, *Anselmo v. Univision Station Group*, *Inc.*, No. 92 Civ. 1471(RLC), 1993 WL 17173, at \*2 (S.D.N.Y. Jan. 15, 1993) ("[a]

forum selection clause should not be defeated by artful pleading of claims not based on the contract containing the clause if those claims grow out of the contractual relationship, or if the gist of those claims is a breach of that relationship." See also, Hugel v. Corporation of Lloyd's. 999 F.2d 206, 209 (7th Cir. 1993) ("Regardless of the duty sought to be enforced in a particular cause of action, if the duty arises from the contract, the forum selection clause governs the action.... '[W]here the relationship between the parties is contractual, the pleading of alternative non-contractual theories of liability should not prevent enforcement of such a bargain [as to the appropriate forum for litigation].' " (citation omitted)

The clause at hand provides that "any litigation arising by reason of this agreement shall be filed in the County of Los Angeles, State of California." The only two claims addressed in Limelight's complaint, one for breach of contract and one for breach of warranty, arise directly out of, and are inextricably rooted in the parties' agreement. As such, this third prong of the test is also met.

## D. Rebutting the Presumption of Enforceability

Where, as here, the forum clause was communicated to the resisting party, has mandatory force and covers the claims and parties involved in the dispute, it is presumptively enforceable. *Phillips*, 494 F.3d at 383-84 (quoting *M/S Bremen*, 407 U.S. at 15. See also *New Moon Shipping*, 121 F.3d at 29. Thus, "the fourth, and final, step is to ascertain whether the resisting party has rebutted the presumption of enforceability by making a sufficiently strong showing that 'enforcement would be unreasonable or

unjust, or that the clause was invalid for such reasons as fraud or overreaching.' <u>M/S</u>

<u>Bremen v. Zapata Off-Shore Co.</u>, 407 U.S. 1, 15 (1972).

Expounding on these principles, the Second Circuit in *Phillips*, 494 F.3d at 383, 392 explained that the resisting party may overcome the presumption only by making a "sufficiently strong showing" that the clause is unenforceable because (1) "its incorporation was the result of fraud or overreaching"; (2) "the law to be applied in the selected forum is fundamentally unfair"; (3) "enforcement contravenes a strong public policy of the forum state"; or (4) "trial in the selected forum will be so difficult and inconvenient that the plaintiff effectively will be deprived of his day in court."

At the outset, in the case at bar both parties are commercial entities. Their agreement which incorporates the forum selection clause had been signed by the Plaintiff's Vice President. California's Courts are governed by the same Uniform Commercial Code followed in New York. Finally, the mere fact that Plaintiff would have to litigate this matter in the Courts of California, as opposed to the Courts of New York, cannot possibly be deemed to amount to the "effective deprivation of Plaintiff of its day in Court" within the meaning of *Phillips*. See *CFirstClass, Corp. v. Silverjet*, *PLC.*, 560 F.Supp.2d 324 (S.D.N.Y 2008)("although litigating these claims in England rather than New York would certainly be more burdensome for [Plaintiff], which has its principal place of business in Florida, there is no suggestion that it would be so difficult as to deprive [Plaintiff] of its day in court"). Therefore, as a matter of law, the presumption in favor of enforcing the forum selection clause may not be rebutted in the case at bar.

### IV. <u>CONCLUSION</u>

Limelight's signed agreement with Arminak contains a mandatory forum selection clause. The clause is presumptively enforceable and Arminak respectfully requests the dismissal of Plaintiff's complaint.

POPESCU, IOSEPOVICI & ASSOCIATES Attorneys for Defendants, Arminak & Associates, Inc.

By: 1/Robert S. Popescu

Robert Popescu, Esq. (9677) 225 Broadway Suite 1901 New York, New York 10007 (212) 766-9696 rsp.esq@pialawfirm.com

Dated: New York, New York September 5, 2008